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Proposed Attorneys for the Debtor

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

9 GREEN NOTE INC.
d/b/a Aqua Clara Laundry & Dry Cleaners,

Chapter 11
Case No. 19-40356

Debtor.

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DECLARATION OF GEORGE POWELL
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-4

George Powell declares under penalties of perjury as follows:

I am the President and sole shareholder of 9 Green Note Inc. d/b/a Aqua Clara Laundry & Dry Cleaners, the above-referenced debtor and debtor-in-possession (the “Debtor”). As such, I am fully familiar with the Debtor’s operations, businesses and financial affairs.

I submit this declaration pursuant to Rule 1007(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1007-4 of the Local Rules for the United States Bankruptcy Court for the Eastern District of New York.

BACKGROUND

1. The Debtor owns and operates a laundromat and clothing cleaners business located at 78-09 37th Avenue, Jackson Heights, New York 11372.
2. The Debtor was formed by me in 2017. I am the sole officer and shareholder.
3. The company is still in its “start-up” phase, having been in operation for only 7 months. In the first year of operations, the Debtor has struggled with cash flow and profitability which struggles are customary in the first year or 2 of a laundromat (I own several others under separate entities) and as a result the Debtor has accumulated arrears to its landlord and certain vendors, while continuing to struggle with cash flow and making its monthly secured debt service.
4. The landlord has recently brought a proceeding to terminate the lease which would essentially put the Debtor out of business. If given additional time to get the business profitable, the debtor believes it can pay the landlord rent on an ongoing basis and pay the pre-petition arrears over a reasonable amount of time.
5. In an effort to preserve its business and good will, the Debtor has therefore determined in its business judgement that it would be in the best interests of the Debtor ad all creditors to seek protection under Chapter 11 so that the Debtor may attempt to reorganize its affairs, improve operations and increase revenues.
6. If the Debtor is afforded a reasonable but not lengthy time in Chapter 11, it believes it can continue to grow the business and make it profitable for the benefit of all creditors including the landlord.

INFORMATION REQUIRED BY LOCAL BANKRUTPCY RULE 1007-2

In addition to the foregoing, Local Bankruptcy Rule 1007-4 requires certain information related to the Debtor, which is set forth below.

Local Rule 1007-4(a)(i)

The Debtor is a small business debtor within the meaning of 11 U.S.C. §101(51D).

Local Rule 1007-4(a)(ii)

The Debtor owns and operates a laundromat and clothing cleaning services located at 78-09 37th Avenue, Jackson Heights, New York 11372.

Local Rule 1007-4(a)(iii) and (iv)

This case was not originally commenced under Chapter 7 or 13 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. Upon information and belief, no committee or professionals were employed prior to the filing of the Order for relief.

Local Rule 1007-4(a)(v)

A list of the holders of the 20 largest general unsecured claims is annexed hereto as **Exhibit A.**

Local Rule 1007-4(a)(vi)

A list of the Debtor's 5 largest secured creditors is annexed hereto as **Exhibit B.**

Local Rule 1007-4(a)(vii)

A balance sheet of the Debtor as of December 31, 2018 is annexed hereto as **Exhibit C.**

Local Rule 1007-4(a)(viii)

There are no publicly held securities of the Debtor.

Local Rule 1007-4(a)(ix)

The Debtor leases real property located at 78-09 37th Avenue, Jackson Heights, New York 11372. None of the Debtor's property is in possession of a receiver or custodian.

Local Rule 1007-4(a)(x) and (xi)

The Debtor's location of its books and records and principal place of business is 78-09 37th Avenue, Jackson Heights, New York 11372.

Local Rule 1007-4(a)(xii)

A list of lawsuits is annexed hereto as **Exhibit D**.

Local Rule 1007-4(a)(xiii)

The Debtor's senior management consists of George Powell, President.

Local Rule 1007-4(a)(xiv) and (xv)

The Debtor's estimated payroll to non-office employees for the thirty (30) day period following the Chapter 11 petition is \$7,216. The Debtor's estimated payroll to officers for the thirty (30) day period following the Chapter 11 petition is \$0.

Local Rule 1007-4(xvi)

A 30 day cash flow projection is annexed hereto as **Exhibit E**.

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: Jackson Heights, New York
January 21, 2019

/s/ *George Powell*
George Powell

EXHIBIT A

SEE ATTACHED

Fill in this information to identify the case:

Debtor name **9 Green Note Inc.**United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**

Case number (if known): _____

 Check if this is an
amended filing
Official Form 204**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders**

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Con Edison of N.Y. Inc. JAF Station P.O. Box 1702 New York, NY 10116-1702						\$7,344.97
Jackson 37 Company, LLC 995 East 8th Street Brooklyn, NY 11230		Unpaid rent and related charges	Unliquidated			\$50,500.00
National Grid One Metrotech Center 16th Floor Brooklyn, NY 11201			Unliquidated			\$7,200.00
PayPal Small Bus. Loan c/o Swift Financial 3505 Silverside Rd Wilmington, DE 19810						\$36,000.00

EXHIBIT B

FIVE LARGEST SECURED CREDITORS

Dexter Financial Services Inc.	\$225,000
P.O. Box 5368	
Cedar Rapids, IA 52406	

EXHIBIT C

BALANCE SHEET AS OF 12/31/18

ASSETS

Cash on Hand	
Security Deposit	\$27,000
Machinery & Equipment/Leasehold Improvements	\$200,000
TOTAL ASSETS	

LIABILITIES

Secured Debt	\$225,000
Rent Arrears	\$50,500
Loan Payable	\$36,000
Accounts Payable	\$7,344.97
TOTAL LIABILITIES	\$318,844.97

EXHIBIT D

Schedule of Lawsuits

Jackson 37 Company LLC v. George Powell and 9 Green Note Inc.
Civil Court, City of New York, Queens County
Index No. 75998/18
Petition for nonpayment

EXHIBIT E

30 day Cash Flow Projection

INCOME: \$25,000

EXPENSES:

Rent	\$9,500
Insurance	\$416.66
Gas	\$1,900
Electric	\$2,200
Water/Sewer	\$2,000
Gross Payroll (non officer)	\$7,560
Equipment Loan	\$4,200

TOTAL: \$27,776.66